Calculation of the Index:

**Modified Market Capitalization-Weighted Method:**
Under the new methodology, the Index is calculated as a modified capitalization-weighted index of 24 of the largest Banking institutions on the Stock Markets. This method is a hybrid between equal weighting and conventional capitalization weighting.

The four largest stocks, currently Citigroup, Bank of America, J.P. Morgan Chase and Wells Fargo, will be assigned maximum initial weights equal to the lesser of their actual capitalization weight or 10% in the reconstituted index. All other stocks with a capitalization weight of more than 4.5% will be assigned initial weights of 4.5% in the reconstituted index. All banks with capitalization weights under 4.5% will share equally in the weight available for redistribution, but none of these banks will be assigned an initial weight of more than 4.5%.

Based on capitalizations as of the close on the Monday before the third Saturday of the last month in each calendar quarter, the index re-balancing will be calculated according to the following rules:

- If any of the top four banks' index weightings have increased beyond 12.5%, their weighting will be reduced to a maximum of 10% in the quarterly rebalancing.
- If any of the remaining banks’ weightings have increased beyond 5%, their weightings will be reduced to a maximum of 4.5% in the rebalancing.
- If any of the top four banks’ weightings have dropped below 8%, their weightings will be increased to the lesser of their actual capitalization weight or 10% in the rebalancing.
- If any of the banks with unadjusted capitalization weights greater than 5% have declined in index weighting below 4%, their weightings will be increased to 4.5% in the rebalancing.
- Any excess weighting available will be reallocated to the smaller banks and any weighting needed to increase weighting in the larger banks will be taken from the smaller banks in the same manner as in the initial allocation at the time of the rebalancing.
- The rebalancing will be implemented at the close on the Friday before the third Saturday of the last month in each calendar quarter.

**Rebalancing of the Index**
Effective after the close of trading on October 19, 2004, the Index would be calculated under a "modified capitalization-weighted" methodology. This methodology is expected to:
- retain in general the economic attributes of capitalization weighting;
- promote portfolio weight diversification (thereby limiting domination of the Index by a few large stocks);
• reduce Index performance distortion by preserving the capitalization ranking of companies; and
• reduce market impact on the smallest Index Securities from necessary weight rebalancings. Under the methodology employed, on a quarterly basis, the Index Securities evaluate their current percentage weights (after taking into account such scheduled weight adjustments due to stock repurchases, secondary offerings or other corporate actions, mergers and index composition changes).

Such quarterly examination will result in an Index rebalancing if either one or both of the following two weight distribution requirements are not met:

(1) the current weight of the single largest market capitalization Index Security must be less than or equal to 12.5% and
(2) the "collective weight" of those Index Securities whose individual current weights are in excess of 4.5%, when added together, must be less than or equal to 48.0%.

The weights of all stocks greater than 10% will be scaled down proportionately for the "collective weight," so adjusted, to be set to 40.0%. The aggregate weight reduction among the stocks resulting from either or both of the above rescalings would then be redistributed to the other stocks in the following iterative manner. In addition, a special rebalancing may be conducted, if it is determined necessary to maintain the integrity of the Index.

If either one or both of these weight distribution requirements are not met upon quarterly review or that a special rebalancing is required, a weight rebalancing will be performed. First, relating to weight distribution requirement (1) above, if the current weight of the single largest Index Security exceeds 12.5%, then the weights of all Stocks above 10% will be scaled down by enough for the adjusted weight of the single largest Index Security to be set to 10.0%. Second, relating to weight distribution requirement (2) above, for those Index Securities whose individual current weights or adjusted weights in accordance with the preceding step are in excess of 4.5%, if their "collective weight" exceeds 48.0%, then the weights of all stocks will be scaled down by just enough for the "collective weight," so adjusted, to be set to 40.0%. The aggregate weight reduction among the stocks resulting from either or both of the above rescalings will then be redistributed to the remaining securities in the Index. Additional iterations will be performed until the accumulated increase in weight among the remaining securities exactly equals the aggregate weight reduction among the stocks from rebalancing in accordance with weight distribution requirement (1) and/or weight distribution requirement (2).

Then, to complete the rebalancing procedure, once the final percent weights of each Index Security are set, the Index share weights will be determined anew based upon the last sale prices and aggregate capitalization of the Index at the close of trading on the Thursday in the week immediately preceding the week of
the third Friday in March, June, September, and December. Changes to the Index share weights will be made effective after the close of trading on the third Friday in March, June, September, and December and an adjustment to the divisor will be made to ensure continuity of the Index. Ordinarily, new rebalanced weights will be determined by applying the above procedures to the current Index share weights.